

**OIG ANNUAL PERFORMANCE PLANS  
2001-2002**

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***Office of Inspector General***



1849 C Street, NW  
Washington, DC 20240



***U.S. Department of the Interior***



***FY 2001 FINAL ANNUAL PERFORMANCE PLAN  
AND  
FY 2002 ANNUAL PERFORMANCE PLAN***

***I. OIG MISSION***

**Promote excellence in the programs, operations and management of the Department of the Interior.**

The Office of Inspector General (OIG) is dedicated to providing high quality services of value to its customers. Our efforts are focused on improving the economy, efficiency, effectiveness and integrity of the Department of the Interior's (DOI and "the Department") programs, operations and management and detecting and preventing fraud, waste, abuse and mismanagement in those programs and operations.

As Federal agencies continue to advance toward a performance-based Government, and as Congress and the Office of Management and Budget (OMB) focus on performance-based management, strategic planning and performance measurement take on new meaning. To this end, the OIG revised its Strategic Plan and Performance Plan and continues to move away from numbers, percentages and other outputs as the sole measure of our success. Instead, we are focusing on the impact our efforts have on the programs, operations and management of the Department.

We have made considerable changes to our Performance Plan for Fiscal Years (FY) 2001 and 2002 to align with our revised Strategic Plan. Our Strategic Plan focuses on helping the Department overcome identified high-risk management and program challenges. We have identified the following five goals: 1) Promote DOI's efforts to preserve and protect the Nation's natural and cultural resources and protect DOI facilities; 2) Promote effective management of financial, grant and procurement activities; 3) Further DOI's efforts to fulfill its responsibilities to American Indians and the Insular Areas; 4) Promote the highest standards of integrity, impartiality and professionalism in DOI law enforcement components; and 5) Promote effective coordination and improved management practices among DOI's bureaus and components.

By design, our goals are closely related to the Department's major responsibilities and problem areas. This alignment reflects our commitment to finding solutions to the Department's most significant problems and designing strategies to help promote excellence in Department programs, operations and management. Consequently, we will no longer measure our success solely by the quantity, timeliness or even the quality of our audits and investigations.



We believe this change is appropriate. We also realize it is ambitious because we will be forced to look beyond the numbers and percentages, thoughtfully analyze the impact of our efforts, and effectively communicate those results. We are confident, however, that we will be successful in advancing the goals laid out in this Plan and in our ability to reflect them in our Annual Performance Reports in the coming years.

## **II. FY 2001 FINAL ANNUAL PERFORMANCE PLAN AND FY 2002 ANNUAL PERFORMANCE PLAN**

We will utilize the full array of our audit, investigation, program integrity and consulting services to target key program areas critical to addressing the Department's Top Management Challenges, and to assisting the Department in fulfilling its mission.

### ***TOP MANAGEMENT CHALLENGES OF THE DEPARTMENT OF THE INTERIOR As reported to the Congress***

- Maintenance of Facilities and Cultural Resources\*
- Procurement/Contracts/Grants
- Health and Safety
- Information Technology
- Resource Protection and Restoration
- Responsibilities to American Indians and Insular Areas
- Financial Management
- Revenue Collections
- Government Performance and Results Act

*\*Although Cultural Resources were contemplated when the Top Management challenges were published, they were not explicitly included. Cultural Resources are added here for clarity.*

Over the course of the period covered by this Plan we will build our organizational knowledge base, expand our understanding of the Department's management in these areas, and work to improve administration in the areas of highest priority and greatest risk.

In order to effect more immediate results, we will continue our practice of communicating our findings to the Department on a real-time basis through our Notification of Findings and Recommendations (NFR) process, which allows the Department to correct problems and weaknesses when they are discovered. We will also continue to share information



internally, whenever appropriate, and collaborate and coordinate with the Department and bureaus in an effort to address problems and formulate solutions as comprehensively as possible.

We will perform thorough, fair and timely audits, investigations, program integrity reviews and consulting services that identify weaknesses in the Department's practices, policies and procedures. This will assist the Department in improving its operations and in identifying and preventing fraud, waste, abuse and mismanagement. Of particular importance is our increased emphasis on selecting and designing audits that can address cross-cutting issues instead of focusing solely on program areas that may be isolated in one specific bureau. We will also seek opportunities to maximize the deterrent effect of our investigations by expanding our outreach and public information efforts.

**Goal 1. Promote DOI's efforts to preserve and protect the Nation's natural and cultural resources and protect DOI facilities.****Objective a.**

Assist DOI in its efforts to mitigate adverse impacts on public land and water from commercial and recreational activities.

**Strategy:** Review commercial and recreational activity for which DOI is responsible.

**Means :** During FY 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
	❖ Review key areas of commercial and recreational activity and their effect on natural resources and assess DOI's ongoing and proposed actions to address the highest risks and priorities.

**Objective b.**

Assist the Department in its management of water resources.

**Strategy:** Assess DOI's long-term planning for sustained and efficient distribution of water resources.

**Means :** During FY 2002 we will:

<b>FY 2001</b>	<b>FY 2002</b>
	❖ Assess the management of water supply to meet the demand for water by all water users.

**Goal 1. (Continued) Promote DOI's efforts to preserve and protect the Nation's natural and cultural resources and protect DOI facilities.****Objective c.**

Improve DOI's efforts to restore public lands and protect natural and cultural resources.

**Strategy:** Evaluate DOI's restoration efforts.

**Means:** During FY 2001 and 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
<ul style="list-style-type: none"><li>❖ Evaluate the Abandoned Mine Land Reclamation Program.</li></ul>	<ul style="list-style-type: none"><li>❖ Evaluate wildfire management.</li><li>❖ Assess regulation of surface coal mining.</li></ul>

**Objective d.**

Ensure that DOI's contingency planning and preparedness for natural disasters and terrorist attacks are adequate.

**Strategy:** Evaluate the Department's planning and preparedness.

**Means:** During FY 2001 and 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
<ul style="list-style-type: none"><li>❖ Evaluate, in accordance with Presidential Decision Directive (PDD) 63, the adequacy of DOI's plans for protecting the physical security of related facilities.</li><li>❖ Evaluate the role of the Office of Managing Risk and Public Safety's (OMRPS) responsibility in critical infrastructure protection.</li></ul>	<ul style="list-style-type: none"><li>❖ Facilitate coordination among affected Departmental components to maximize planning and preparedness and eliminate duplication of effort.</li><li>❖ Continue to review and monitor OMRPS' responsibility in critical infrastructure protection.</li><li>❖ Conduct phase II of PDD 63 - evaluation of implementation of cyber-based controls.</li></ul>

**Goal 1. (Continued) Promote DOI's efforts to preserve and protect the Nation's natural and cultural resources and protect DOI facilities.****Objective e.**

Improve DOI's efforts to properly maintain its facilities.

**Strategy:** Evaluate DOI maintenance systems and procedures.**Means:** During FY 2001 and 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
<ul style="list-style-type: none"><li>❖ Evaluate maintenance management systems and the processes used to develop, identify and prioritize the allocation and use of maintenance funds for the Department.</li><li>❖ As part of our fee demonstration program audit, determine whether fees were used to supplement instead of replace maintenance funds.</li></ul>	<ul style="list-style-type: none"><li>❖ Continue to evaluate maintenance management systems and the processes used to develop, identify and prioritize the allocation and use of maintenance funds for the Department.</li></ul>



## **Goal 2. Promote effective management of financial, grant and procurement activities.**

### **Objective a.**

Improve DOI's collection of mineral, oil, and gas royalty payments.

**Strategy:** Assess regulations, procedures and methods used to value oil, gas and minerals for payments of royalties.

**Means :** During FY 2001 and 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
<ul style="list-style-type: none"><li>❖ Partner with state oversight entities to review gas royalties valuation.</li><li>❖ Assess selected aspects of royalty compliance operations of MMS.</li><li>❖ Provide fraud awareness training to MMS employees.</li><li>❖ Establish criminal referral guidelines for MMS/Offshore Minerals Management Program (OMMP) on matters meriting OIG investigation.</li><li>❖ Continue joint investigative efforts with audit staff and the MMS to detect and prevent fraud in Mineral Revenue Management.</li></ul>	<ul style="list-style-type: none"><li>❖ Assess oil, gas and mineral royalty evaluation methodologies.</li><li>❖ Provide fraud awareness training to MMS/OMMP employees on OMMP/OIG criminal referral guidelines.</li><li>❖ Implement the criminal referral guidelines between the OIG and MMS/OMMP for matters meriting OIG investigation through training and outreach.</li><li>❖ Continue joint investigative efforts with audit staff and the MMS to detect and prevent fraud in Mineral Revenue Management.</li></ul>

### **Operational processes, skills, technology and resources required:**

We will need to recruit and retain a skilled and experienced investigative and audit workforce possessing advanced technical capabilities to uncover the complex fraudulent schemes used by corporations to avoid payment of royalties owed to the Government. Current staff needs technical and specialized training in royalty investigations and audits.



**Goal 2. (Continued) Promote effective management of financial, grant and procurement activities.****Objective b.**

Enhance the proper collection and use of fees assessed by DOI.

**Strategy:** Determine whether fees that are authorized by law to be collected are being assessed, collected and used for specified purposes.

**Means:** During FY 2001 and 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
<ul style="list-style-type: none"><li>❖ Assess implementation of DOI's fee demonstration program.</li><li>❖ Improve our ability to proactively identify and investigate fraud in fee collection programs by working with sources who can readily identify fraudulent activities and program weaknesses.</li></ul>	<ul style="list-style-type: none"><li>❖ Identify legislation authorizing DOI to assess and collect fees and determine whether select fees are being collected and used appropriately.</li></ul>

**Objective c.**

Further sound business-like management of Federal water resources.

**Strategy:** Assess BOR policies and practices for recovery of water project costs.

**Means:** During FY 2001 and 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
<ul style="list-style-type: none"><li>❖ Evaluate BOR's billing and collection activities.</li></ul>	<ul style="list-style-type: none"><li>❖ Review BOR's policy for pricing water converted from irrigation to municipal and industrial use.</li></ul>

**Goal 2. (Continued) Promote effective management of financial, grant and procurement activities.****Objective d.**

Improve financial management throughout the Department.

**Strategy:** Cooperatively target internal control weaknesses.**Means:** During FY 2001 and 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
<ul style="list-style-type: none"><li>❖ Complete the FY 2000 financial statement audit for DOI before March 1, 2001.</li><li>❖ Contract out and coordinate FY 2001 financial statement audits.</li></ul>	<ul style="list-style-type: none"><li>❖ Continue to provide oversight and assistance to the contracted audit firms conducting financial statement audits.</li><li>❖ Work with the Department and contracted audit firms to improve internal controls that can be addressed during the audit process.</li></ul>

**Goal 2. (Continued) Promote effective management of financial, grant and procurement activities.****Objective e.**

Improve contract, procurement and grant management.

**Strategy:** Assess contract, procurement and grant programs to determine whether they are managed in a fiscally sound manner and funds are properly awarded, monitored and used for their specified purposes.

**Means :** During FY 2001 and 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
<ul style="list-style-type: none"><li>❖ Review contracts with the greatest potential for fraud and/or those requested for review by contracting officials.</li><li>❖ Assess concessionaires' use of special deposit accounts.</li><li>❖ Collaborate with the Department and bureau sources who can readily assist in identifying fraudulent activities and program weaknesses.</li><li>❖ Continue to proactively develop investigations that focus on acquisition management, contract, procurement and grant fraud.</li><li>❖ Provide fraud awareness training to select DOI employees.</li><li>❖ Utilize debarment/suspension actions in appropriate cases.</li></ul>	<ul style="list-style-type: none"><li>❖ Assess procurement systems major purchases and/or grants to determine whether contracts are awarded competitively and whether contract costs are appropriate.</li><li>❖ Assess the award and administration of concessions contracts.</li><li>❖ Continue to provide fraud awareness training to select DOI employees.</li><li>❖ Identify cases appropriate for suspension/debarment actions throughout the Department.</li><li>❖ Identify and conduct investigations related to DOI grants, state revolving funds, Interagency Agreements, and Cooperative Agreements that provide financial assistance.</li></ul>

**Operational processes, skills, technology and resources required:**

The new Administration and the Congress emphasize the use of outside product and service providers. The DOI is awarding several billion dollars in contracts annually and the potential for fraud and mismanagement is immense. OIG staff must keep pace with new procurement regulations and must be trained to identify fraud and management weaknesses.

**Goal 3. Further DOI's efforts to fulfill its responsibilities to American Indians and the Insular Areas.****Objective a.**

Improve DOI's management of natural resources on Indian Lands and delivery of services to Indian people.

**Strategy:** Evaluate programs affecting the use of trust lands and delivery of services.

**Means:** During FY 2001 and 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
<ul style="list-style-type: none"><li>❖ Work with Department and tribal officials to identify fraud and underpayment of royalties in royalty programs on Indian Lands.</li><li>❖ Evaluate bonding (the process by which lessees provide funds to be held by the Government in the event of damages) of oil and gas leases on Indian Trust Lands.</li></ul>	<ul style="list-style-type: none"><li>❖ Evaluate BIA reviews of trust resources managed by Indian governing tribes.</li><li>❖ Assess the Indian Land Consolidation Pilot Program.</li></ul>

**Goal 3. (Continued) Further DOI's efforts to fulfill its responsibilities to American Indians and the Insular Areas.****Objective b.**

Improve DOI's administration of Indian education and Indian school maintenance and construction.

**Strategy:** Determine whether funds provided for Indian education activities are properly used.

**Means:** During FY 2001 and 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
<ul style="list-style-type: none"><li>❖ Evaluate financial plans at selected Indian schools.</li><li>❖ Provide fraud awareness training to select BIA employees.</li><li>❖ Focus investigative resources to identify contract, procurement and grant fraud in Indian education activities.</li><li>❖ Assess, as part of our maintenance audit, BIA school maintenance.</li></ul>	<ul style="list-style-type: none"><li>❖ Assess the effectiveness of BIA oversight of Indian schools construction.</li><li>❖ Conduct a risk analysis of security for Indian school personnel.</li><li>❖ Continue to focus investigative resources to identify contract, procurement and grant fraud in Indian education activities.</li><li>❖ Examine efforts to provide quality education to Indian children.</li></ul>

**Goal 3. (Continued) Further DOI's efforts to fulfill its responsibilities to American Indians and the Insular Areas.****Objective c.**

Improve oversight of Indian gaming operations.

**Strategy:** Assess adequacy of Indian gaming regulation and oversight.**Means:** During FY 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
	<ul style="list-style-type: none"><li>❖ Develop criteria for initiating investigations into gaming activities.</li><li>❖ Evaluate the operations of the National Indian Gaming Commission.</li><li>❖ Improve our ability to identify fraud and corruption in gaming activities that meet our established criteria.</li></ul>

**Goal 3. (Continued) Further DOI's efforts to fulfill its responsibilities to American Indians and the Insular Areas.****Objective d.**

Improve Insular Area governments' administration of Federal funds and collection of revenues.

**Strategy:** Coordinate with all Federal agencies that provide funding to the Insular Areas to assess the proper management over Federal funds and Insular Area revenues.

**Means :** During FY 2001 and 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
<ul style="list-style-type: none"><li>❖ Establish communication with the Office of Insular Affairs (OIA) and other funding agencies to address Insular Area issues.</li><li>❖ Determine whether accounting controls ensure that funds are properly accounted for and used for selected programs.</li><li>❖ Evaluate accounting controls over selected tax assessment programs.</li><li>❖ Conduct thorough, fair and timely investigations that identify fraud, waste, abuse and mismanagement in OIA programs and operations and Insular Area governments receiving Federal funds.</li></ul>	<ul style="list-style-type: none"><li>❖ Coordinate and perform reviews of DOI assistance to the Insular Areas.</li><li>❖ Initiate efforts to enhance the audit capabilities and authority of public auditors in the Insular Areas.</li><li>❖ Coordinate with OIA and other funding agencies to enforce corrective actions by Insular Area governments.</li><li>❖ Continue to conduct thorough, fair and timely investigations that identify fraud, waste, abuse and mismanagement in OIA programs and operations and Insular Area governments receiving Federal funds.</li></ul>

**Goal 4. Promote the highest standards of integrity, impartiality and professionalism in DOI law enforcement components.****Objective a.**

Ensure that DOI officials operate their programs and conduct themselves with the utmost integrity, ethics and professionalism.

**Strategy:** Increase the presence, visibility and responsiveness of the OIG Office of Program Integrity.

**Means :** During FY 2001 and 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
<ul style="list-style-type: none"><li>❖ Conduct thorough and timely integrity investigations of senior Department officials accused of misconduct.</li><li>❖ Improve the “hotline” reporting process.</li><li>❖ Conduct follow-up reviews to measure the implementation or compliance with investigative or assessment recommendations.</li><li>❖ Facilitate Department-wide directives to create Program Integrity Units in all DOI law enforcement programs.</li><li>❖ Conduct one or more comprehensive high priority investigative assessment of a high-risk DOI program or operation.</li></ul>	<ul style="list-style-type: none"><li>❖ Conduct reviews of select OIG regional and resident offices to ensure adherence to OIG policies and procedures.</li><li>❖ Continue to conduct thorough and timely integrity investigations of senior department officials.</li><li>❖ Continue to follow-up the implementation or compliance with investigative or assessment recommendations.</li><li>❖ Assist DOI law enforcement organizations to establish internal affairs (integrity) programs.</li><li>❖ Evaluate the consistency of conduct and disciplinary actions by the DOI.</li></ul>



**Goal 4. (Continued) Promote the highest standards of integrity, impartiality and professionalism in DOI law enforcement components.****Objective b.**

Improve the quality and efficiency of DOI's law enforcement components.

**Strategy:** Evaluate the overall organization and management of DOI's law enforcement programs.

**Means:** During FY 2001 and 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
❖ Assess select DOI law enforcement organizations' operations and administration.	❖ Conduct follow-up reviews to measure implementation of assessment recommendations.



## **Goal 5. Promote effective coordination and improved management practices among DOI's bureaus and components.**

### **Objective a.**

Assist the Department in resolving crosscutting issues and eliminating redundancies.

**Strategy:** Identify weaknesses and inconsistencies and offer alternatives on issues that impact multiple DOI bureaus.

**Means:** During FY 2001 and 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
<ul style="list-style-type: none"><li>❖ Work with DOI's Chief Financial Officer (CFO) Council to uniformly address internal control weaknesses identified through the financial statement audits.</li><li>❖ Assess computer security risks.</li></ul>	<ul style="list-style-type: none"><li>❖ Identify programs and functions that are performed by multiple bureaus and assess the extent to which bureaus can coordinate to achieve program goals and objectives.</li><li>❖ Continue to assess computer security risks.</li></ul>

**Goal 5. (Continued) Promote effective coordination and improved management practices among DOI's bureaus and components.****Objective b.**

Enhance cooperation, coordination and communication among the OIG, the bureaus, and the Department.

**Strategy:** Serve as liaison among the bureaus and Department to improve overall communication within the Department.

**Means:** During FY 2001 and 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
<ul style="list-style-type: none"><li>❖ Establish liaison with DOI law enforcement leadership to ensure common goals and methods are pursued without overlap.</li><li>❖ Establish communication with and participate on select councils that address multiple bureaus.</li></ul>	<ul style="list-style-type: none"><li>❖ Facilitate ongoing coordination and communication among bureaus and the Department in policy and procedural areas as they are identified through audits, investigations and consulting services.</li></ul>

**Objective c.**

Enhance effectiveness of DOI management practices.

**Strategy:** Assess the operations of key programs of the DOI.

**Means:** During FY 2002, we will:

<b>FY 2001</b>	<b>FY 2002</b>
	<ul style="list-style-type: none"><li>❖ Evaluate the employee housing program of the National Park Service.</li></ul>